

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

Annual Financial Statements

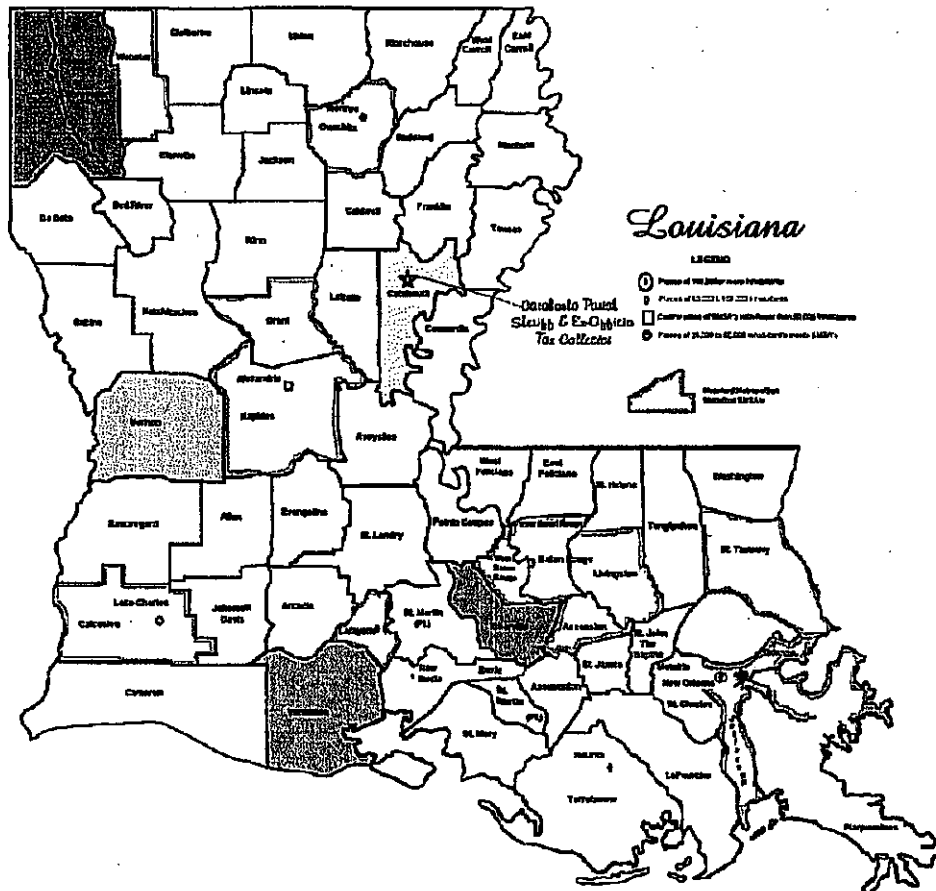
JUNE 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JAN 18 2012**

CATAHOULA PARISH SHERIFF

Harrisonburg, Louisiana



* As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas. As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations, serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera, and provides assistance to other law enforcement agencies within the parish.

CATAHOULA PARISH SHERIFF
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INDEPENDENT AUDITOR'S REPORT

Honorable James G Kelly, Sheriff
Catahoula Parish Sheriff
Harrisonburg, Louisiana

We have audited the accompanying basic financial statements of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Sheriff as of and for the year ended June 30, 2011 which collectively comprise the Catahoula Parish Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Catahoula Parish Sheriff's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Sheriff as of June 30, 2011 and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2011, on our consideration of the Catahoula Parish Sheriff's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

John R. Vercher PC

November 30, 2011

Jena, Louisiana

CATAHOULA PARISH SHERIFF

James G Kelly-Sheriff

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Sheriff's Department, we offer readers of the Catahoula Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Sheriff's Department for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the Sheriff's Department's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Sheriff's Department exceeded its liabilities at the close of the most recent fiscal year by \$208,940 (*net assets*). This is a \$566,999 decrease from last year.
- The Sheriff's Department had total revenue of \$7,195,742, in which \$4,936,670 came from reimbursement revenue sources. This is a \$249,987 decrease from last year's revenues, mainly due to a decrease of \$240,057 in reimbursement revenues.
- The Sheriff's Department had total expenditures of \$7,509,732. This is a \$165,500 increase from last year, mainly due to an increase in administration in the amount of \$240,393.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Sheriff's Department's basic financial statements. The Sheriff's Department's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Sheriff is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the Sheriff adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Sheriff's Department, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Sheriff's Department's annual report consists of financial statements that show information about the Sheriff's Department's funds, the governmental fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the Sheriff's Department's Most Significant Funds

The Sheriff's Department's financial statements provide detailed information about the most significant funds. The Sheriff's Department may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money.

MD&A

Condensed Comparative Statement of Net Assets as of June 30, 2011- Governmental Funds

Assets	2010	2011	% Change
Cash & Investments	\$ 630,998	\$ 531,687	-15.7%
Receivables	617,363	401,319	-35.0%
Capital Assets, Net of Accumulated Depreciation	379,059	449,648	18.6%
Total Assets	1,627,420	1,382,654	-15.0%
Liabilities & Net Assets			
Bank Overdraft	-0-	94,142	100.0%
Accounts, Salaries, & Other Payables	537,129	441,622	-17.8%
OPEB Liability	314,352	637,950	102.9%
Total Liabilities	851,481	1,173,714	37.8%
Net Assets			
Invested in Capital Assets, Net of Related Debt	379,059	449,648	18.6%
Unrestricted	396,880	(240,708)	-160.7%
Total Net Assets	\$ 775,939	\$ 208,940	-73.1%

Condensed Comparative Changes in Fund Balances for the Year Ended June 30, 2011 - Governmental Funds

Revenues	2010	2011	% Change
Fees, Fines, & Charges	\$ 266,720	\$ 227,218	-14.8%
Taxes	995,309	977,014	-1.8%
Intergovernmental	288,458	296,544	2.8%
Reimbursement	5,176,727	4,936,670	-4.6%
Grants	254,996	177,594	-30.4%
Miscellaneous	38,464	55,672	44.7%
Total Revenues	7,020,674	6,670,712	-5.0%
Expenditures			
Administration & Prisoner Expense	6,749,251	6,713,256	-0.5%
Debt Service	433,210	536,628	23.9%
Capital Outlay	106,465	189,568	78.1%
Other Expenditures	55,306	70,280	27.1%
Total Expenditures	7,344,232	7,509,732	2.3%
Excess (Deficiency) of Revenues Over (Under) Expenditures	(323,558)	(839,020)	-159.3%
Total Other Financing Sources (Uses)	425,055	525,030	23.5%
Increase (Decrease) in Fund Balances	101,497	(313,990)	-409.4%
Beginning Fund Balances	609,735	711,232	16.6%
Ending Fund Balances	\$ 711,232	\$ 397,242	-44.1%

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Fund

At June 30, 2011, the Sheriff's Department had \$449,648 invested in capital assets, including vehicles, furniture, and equipment.

Capital Assets At Year-End

	2010	2011
Equipment	\$ 942,504	\$ 1,132,072
Accumulated Depreciation	(563,445)	(682,424)
Total Net Assets	\$ 379,059	\$ 449,648

CONTACTING THE SHERIFF'S DEPARTMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Sheriff's Department's finances and to show that the Sheriff's Department's accountability for the money it receives. If you have questions about this report or need additional information, contact George Tosspon, Chief Civil Deputy at the Sheriff's Department, phone number (318) 744-5411.

Basic Financial Statements

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

Statement of Net Assets

June 30, 2011

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash	\$ 114,332
Investments	417,355
Receivables	18,913
Due From Other Governments	382,406
Capital Assets (Net of Accumulated Depreciation)	449,648
TOTAL ASSETS	<u>1,382,654</u>
LIABILITIES	
Bank Overdraft	94,142
Accounts, Salaries, & Other Payables	441,622
OPEB Liability	637,950
TOTAL LIABILITIES	<u>1,173,714</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	449,648
Unrestricted	(240,708)
TOTAL NET ASSETS	<u>\$ 208,940</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2011**

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Balance Sheet, Governmental Funds
June 30, 2011**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE PRISON</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ -0-	\$ 114,332	\$ 114,332
Investments	-0-	417,355	417,355
Receivables	18,913	-0-	18,913
Due From Other Governments	9,298	373,108	382,406
TOTAL ASSETS	<u>28,211</u>	<u>904,795</u>	<u>933,006</u>
LIABILITIES			
Bank Overdraft	94,142	-0-	94,142
Accounts, Salaries, and Other Payables	68,514	373,108	441,622
TOTAL LIABILITIES	<u>162,656</u>	<u>373,108</u>	<u>535,764</u>
FUND BALANCE			
Unreserved, Unassigned	<u>(134,445)</u>	<u>531,687</u>	<u>397,242</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 28,211</u>	<u>\$ 904,795</u>	<u>\$ 933,006</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Reconciliation of The Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Assets
June 30, 2011**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balance, Total Governmental Funds (Statement C)	\$ 397,242
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

	Capital Assets	1,132,072	
	Less Depreciation	<u>(682,424)</u>	
			449,648

Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.

	Other	-0-	
	OPEB Liability	<u>(637,950)</u>	
			<u>(637,950)</u>

Net Assets of Governmental Activities (Statement A)	\$ <u>208,940</u>
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The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011**

	<u>GENERAL</u>	<u>SPECIAL REVENUE PRISON</u>	<u>TOTALS</u>
REVENUES			
Fees & Charges	\$ 203,844	\$ -0-	\$ 203,844
Taxes	977,014	-0-	977,014
Fines	23,374	-0-	23,374
Intergovernmental	296,544	-0-	296,544
Reimbursement	21,353	4,915,317	4,936,670
Grants	177,594	-0-	177,594
Insurance Proceeds	39,499	-0-	39,499
Miscellaneous	9,595	6,578	16,173
TOTAL REVENUES	<u>1,748,817</u>	<u>4,921,895</u>	<u>6,670,712</u>
EXPENDITURES			
Administration	1,763,251	2,220,711	3,983,962
Prisoner Expense	34,687	2,694,607	2,729,294
Repairs & Maintenance	46,132	-0-	46,132
Debt Service	536,628	-0-	536,628
Capital Outlay	178,573	10,995	189,568
Other Expenditures	24,148	-0-	24,148
TOTAL EXPENDITURES	<u>2,583,419</u>	<u>4,926,313</u>	<u>7,509,732</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(834,602)</u>	<u>(4,418)</u>	<u>(839,020)</u>
OTHER FINANCING SOURCES (USES)			
Loans	525,030	-0-	525,030
TOTAL OTHER FINANCING SOURCES (USES)	<u>525,030</u>	<u>-0-</u>	<u>525,030</u>
NET CHANGE IN FUND BALANCE	(309,572)	(4,418)	(313,990)
FUND BALANCES--BEGINNING	175,127	536,105	711,232
FUND BALANCES--ENDING	<u>\$ (134,445)</u>	<u>\$ 531,687</u>	<u>\$ 397,242</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Reconciliation of The Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2011**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental Funds, Statement E \$ (313,990)

Governmental funds report capital outlays as expenditure. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Deletion of Asset	-0-
Capital Outlays	189,568
Depreciation Expense	<u>(118,979)</u>

70,589

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Loan Proceeds	525,030
Principle Paid	(525,030)
Change in OPEB Liability	<u>(323,598)</u>

(323,598)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

-0-

Changes in Net Assets of Governmental Activities, statement B

\$ (566,999)

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Fiduciary Net Assets
June 30, 2011**

	CIVIL FUND	TAX COLLECTION FUND	BOND FUND	TOTAL
ASSETS				
Cash & Cash Equivalents	\$ 58,733	\$ 35,412	\$ 92,929	\$ 187,074
Investments	-0-	115,504	-0-	115,504
Accounts Receivable	-0-	-0-	12,776	12,776
TOTAL ASSETS	<u>58,733</u>	<u>150,916</u>	<u>105,705</u>	<u>315,354</u>
LIABILITIES				
Held for Others Pending Court Action	58,733	-0-	105,705	164,438
Held for Taxing Bodies	-0-	150,916	-0-	150,916
TOTAL LIABILITIES	<u>58,733</u>	<u>150,916</u>	<u>105,705</u>	<u>315,354</u>
NET ASSETS	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic
Financial Statements**

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sporting licenses, and fines, costs, and bond forfeitures imposed by the district court.

The Sheriff also has a cooperative endeavor agreement with the State of Louisiana to operate a prison.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Sheriff is an independently elected official; however, the sheriff is fiscally dependent on the Catahoula Parish Police Jury. The police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides funds for equipment and furniture of the sheriff's office. Because the sheriff is fiscally dependent on the police jury, the Sheriff was determined to be a component unit of the Catahoula Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. BASIS OF PRESENTATION

The accompanying basic financial statements of the Catahoula Parish Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

The Sheriff reports the following major governmental funds:

The *General Fund* is the primary operating fund of the Sheriff. It accounts for all financial resources except those that are required to be accounted for in other funds.

The *Special Revenue Funds* account for the revenues and expenditures of the operations of the facilities that house the prison population.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Additionally, the Sheriff reports the following fund types:

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (asset equal liabilities) and do not involve measurement of results of operation. Consequently, the agency funds have no measurement focus, and use the accrual basis of accounting, which is in accordance with accounting principals generally accepted in the United States.

C. BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, of Statements A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of sheriff operations.

The amounts reflected in the General Fund and Other Funds, of Statements A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and commissions earned from the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on September 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Intergovernmental revenues are recorded when the Sheriff is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the income is available. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when their related fund liability is incurred.

Other Financing Sources (Uses)

Proceeds from the sale of fixed assets are recognized when received. Fixed assets acquired through capital leases are recorded as expenditures and other financing sources at the time of acquisition.

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the sheriff as a whole. These statements include all the financial activities of the sheriff. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from sheriff users as a fee for services; program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Assets (Statement A) are as follows:

Capital Assets	\$ 449,648
Capital Outlay	189,568
Depreciation	118,979
OPEB Liability	637,950
Change in OPEB Liability	\$ 323,598

D. BUDGET PRACTICES

The proposed budget for 2011 was made available for public inspection in June 2010. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 30 days prior to the public hearing, which was held at the Catahoula Parish Sheriff in June 2010, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Sheriff. The budget was not amended for the year ended June 30, 2011.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance and budgeted as a revenue item.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made.

E. CASH & CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the sheriff's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	7-10 Years
Vehicles	7-10 Years

H. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

I. EXTRAORDINARY & SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the sheriff, which are either unusual in nature or infrequent in occurrence.

J. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

K. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(2) AD VALOREM TAXES

The Sheriff levies taxes on real and business personal property located within its boundaries. The Sheriff utilizes the services of the Catahoula Parish Tax Assessor to assess the property values and prepare the Sheriff's property tax roll. The Sheriff bills and collects its own property taxes.

<u>Property Tax Calendar</u>	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On Or About October 15
Total Taxes Are Due	December 31
Penalties And Interest Are Added	January 1
Lien Date	January 1

The following is a summary of authorized and levied ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Law Enforcement	27.69	27.69	N/A

(3) CASH & INVESTMENTS – (CERTIFICATES OF DEPOSIT IN EXCESS OF 90 DAYS)

Deposits

It is the Sheriff's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Sheriff's deposits are categorized to give an indication of the level of risk assumed by the Sheriff at year end. The categories are describes as follows:

- **Category 1** – Insured or collateralized with securities held by the Sheriff or by its agent in the Sheriff's name.
- **Category 2** – Collateralized with securities held by the pledging financial institution's trust department or agent in the Sheriff's name.
- **Category 3** – Uncollateralized.

	<u>Southern Heritage</u>	<u>Catahoula LaSalle</u>	<u>Total</u>
Bank Balances	\$ 33,904	\$ 859,477	\$ 893,381
Secured As Follows			
FDIC (Category 1)	33,904	500,000	533,904
Securities (Category 2)	-0-	2,007,523	2,007,523
Total	\$ 33,904	\$ 2,507,523	\$ 2,541,427

All deposits were fully secured as of June 30, 2011.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(4) RECEIVABLES

The receivables of \$401,319 at June 30, 2011, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Prison Fund</u>	<u>Total</u>
Accounts Receivable	\$ 18,913	\$ -0-	\$ 18,913
Intergovernmental	9,298	373,108	382,406
Total	\$ 28,211	\$ 373,108	\$ 401,319

Allowance for doubtful accounts is considered not material and is not presented.

(5) CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2011, is as follows:

<u>Governmental Activities</u>	<u>Balance 07/01/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/11</u>
General Fund Capital Assets	\$ 826,552	\$ 178,573	\$ -0-	\$ 1,005,125
Correctional Center Capital Assets	115,952	10,995	-0-	126,947
Total Fixed Assets	942,504	189,568	-0-	1,132,072
General Fund	(456,268)	(116,678)	-0-	(572,946)
Correctional Center	(107,177)	(2,301)	-0-	(109,478)
Total Accumulated Depreciation	(563,445)	(118,979)	-0-	(682,424)
Capital Assets, Net	\$ 379,059	\$ 70,589	\$ -0-	\$ 449,648

(6) PENSION PLAN

Plan Description. Substantially all employees of the Catahoula Parish Sheriff are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All Sheriffs and all deputies who are found to be physically fit, who can earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 per cent for each year if total service is at least 12 but less than 15 years, 2.75 per cent for each year if total service is at least 15 but less than 20 years, and 3 per cent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 percent for all services rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminated with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, Post Office Box 3163, Monroe, Louisiana 71220, or by calling (318) 362-3191.

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the Catahoula Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 11% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds are required and available from insurance premium taxes. The contribution requirements of plan members and the Catahoula Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Catahoula Parish Sheriff's contributions to the System for the year ending June 30, 2011 was \$118,446, equal to the required contributions for the year.

**(7) NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATION (ASSET) FOR THE
YEAR ENDED JUNE 30, 2011**

Post-employment benefits

Plan Description. The Catahoula Parish Sheriff's Office's medical and life insurance benefits are provided to employees upon actual retirement.

The employer pays 100% of the medical coverage for the retiree (not dependents). Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age or, age 55 and 15 years of service. See the section below entitled "Post employment Benefit Plan Eligibility Requirements" for the assumption as to time of actual retirement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Life insurance coverage is continued to retirees by election and the blended rate for active employees and retirees is \$0.348 per \$1,000 of insurance. The employer pays for the first \$10,000 of life insurance after retirement for the retiree and the retirees pay for the volume in excess of \$10,000. However, both the employer and retiree rates are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described below to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Dental insurance coverage is provided to retirees. The employer pays 100% of the cost of the dental insurance for the retirees but not for dependents. We have used the unblended rates provided. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance.

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until Fiscal Year Ending June 30, 2009, the Catahoula Parish Sheriff's Office recognized the cost of providing post-employment medical and life benefits (the Catahoula Parish Sheriff's Office's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. Effective with the Fiscal Year beginning July 1, 2009, the Catahoula Parish Sheriff's Office implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the ARC except to the extent of the current year's retiree funding costs.

In Fiscal Year Ending June 30, 2011, the Catahoula Parish Sheriff's Office's portion of health care funding cost for retired employees totaled \$52,771 and life totaled \$4,149. These amounts were applied toward the Net OPEB Benefit Obligation as shown in the table on the following page.

Annual Required Contribution. The Catahoula Parish Sheriff's Office's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2010 is \$338,274 (medical), and \$47,849 (life) as set forth below:

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

	Medical	Life
Normal Cost	\$ 202,200	\$ 27,180
30-year UAL amortization amount	136,074	20,669
Annual required contribution (ARC)	\$ 338,274	\$ 47,849

Net Post-employment Benefit Obligation (Asset). The table below shows the Catahoula Parish Sheriff's Office's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2011:

	Medical	Life
1. Beginning Net OPEB Obligation (Asset) 7/1/2010	\$272,492	\$41,860
2. Annual required contribution	338,274	47,849
3. Interest on Net OPEB Obligation (Asset): .04 X [1]	10,900	1,674
4. ARC Adjustment: [1]/17.292	15,758	2,421
5. OPEB Cost: [2]+[3]-[4]	333,415	47,103
6. Contribution	0	0
7. Current year retiree premium	52,771	4,149
8. Change in Net OPEB Obligation: [5]-[6]-[7]	280,644	42,954
9. Ending Net OPEB Obligation: (Asset) 6/30/2011: [1]+[8]	\$553,136	\$84,814

The following table shows the Catahoula Parish Sheriff's Office's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical	June 30, 2011	\$333,415	15.83%	\$553,136
Life	June 30, 2011	\$47,103	8.81%	\$84,814

Funded Status and Funding Progress. In the fiscal year ending June 30, 2011, the Catahoula Parish Sheriff's Office made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of June 30, 2011, the end of the fiscal year, the Actuarial Accrued Liability (AAL) was \$2,447,123 (medical), and \$371,726 (life), which is defined as that portion, as determined by a particular actuarial cost method (the Catahoula Parish Sheriff's Office uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2010/2011, the entire actuarial accrued liability of \$2,447,123 (medical) and \$371,726 (life) was unfunded.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

	Medical		Life
Actuarial Accrued Liability (AAL)	\$ 2,447,123	\$	371,726
Actuarial Value of Plan Assets	0		0
Unfunded Act. Accrued Liability (UAAL)	<u>2,447,123</u>		<u>371,726</u>
Funded Ratio (Act. Val. Assets/AAL)	0%		0%
Covered Payroll (active plan members)	\$ 3,311,237	\$	3,311,237
UAAL as a percentage of covered payroll	73.90%		11.23%

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Catahoula Parish Sheriff's Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Catahoula Parish Sheriff's Office and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Catahoula Parish Sheriff's Office and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets. Since the OPEB obligation has not as yet been funded, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Statement 45.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 7%. In addition, we have assumed an additional 60% turnover for "Corrections" employees with less than two years of service. The rates for each age are below:

<u>Age</u>	<u>Percent Turnover</u>
18 - 25	15.0%
26 - 40	9.0%
41 - 54	6.0%
55+	4.0%

Post employment Benefit Plan Eligibility Requirements. Historically, employees have entered D.R.O.P. after age 55 and 20 years of service, or age 65 and 15 years of service. We have therefore assumed that employees retire three years after that historical retirement age as just described. The three years is to accommodate the D.R.O.P. period. Medical benefits are provided to employees upon actual retirement. Entitlement to benefits continue through Medicare to death.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2010 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical benefits for the retiree only (not dependents). The medical rates provided are "blended" rates for active and retired before Medicare eligibility. We have therefore estimated the "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility.

(8) ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$535,764 at June 30, 2011 are as follows:

	<u>General Fund</u>		<u>Prison Fund</u>		<u>Total</u>
Bank Overdraft	\$ 94,142	\$	-0-	\$	94,142
Salaries	36,372		-0-		36,372
Withholdings	4,463		-0-		4,463
Accounts	27,679		373,108		400,787
Total	\$ 162,656	\$	373,108	\$	535,764

(9) SHORT-TERM DEBT

GASB Statement No. 38 requires details about short-term debt activity during the year, even if no short-term debt is outstanding at year-end. Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans.

- a. A schedule of changes in short-term debt, disclosing beginning and end-of-year balances, increases, and decreases is as follows:

<u>Beginning Debt</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending Debt</u>
\$ -0-	\$	525,030	\$	(525,030)	\$	-0-

- b. The purpose for which the short-term debt being issued was for operating purposes.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(10) CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others follows:

	Balance 7-1-10	Additions	Reductions	Balance 6-30-11
Civil Fund	\$ 72,277	\$ 278,889	\$ (292,433)	\$ 58,733
Tax Collector Fund	134,644	3,542,036	(3,525,764)	150,916
Bond Fund	111,364	225,672	(231,331)	105,705
Total	\$ 318,285	\$ 4,046,597	\$ (4,049,528)	\$ 315,354

(11) DEFICIT FUND BALANCE

The General Fund had a deficit fund balance in the amount of \$134,445 for the year ending June 30, 2011.

(12) TAX COLLECTOR ENDING CASH BALANCE

At June 30, 2011, the tax collector has cash and equivalents (book balances) totaling \$150,916 as follows:

Ad valorem taxes	\$ 35,412
Protest taxes	115,504
Total	\$ 150,916

(13) AD VALOREM TAXES COLLECTED

The tax collector has collected and disbursed the following taxes for the year ended June 30, 2011, by taxing the body as follows:

Sheriff	\$ 981,876
Enterprise Recreational District	29,806
Forestry Commission	12,215
Police Jury	757,728
Tensas Basin District	93,240
School Board	933,312
Hospital District # 2	5,644
Recreation District # 22	-0-
Assessor	274,457
Fire District #2	24,208
Fire District #5	30,266
Fire District #1	13,391
Fire District #4	75,142
Larto Recreational District	27,632
Maitland Recreational District	8,661
Louisiana Tax Commission	805
Total	\$ 3,268,383

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(14) TAX UNCOLLECTED AND UNSETTLED

At June 30, 2011, the tax collector had the following uncollected and/or unsettled taxes:

Sheriff	\$	67
Enterprise Recreational District		43
Forestry Commission		-0-
Police Jury		-0-
Tensas Basin District		55
School Board		-0-
Hospital District # 2		44
Recreation District # 22		-0-
Assessor		-0-
Fire District #5		19
Fire District #1		-0-
Fire District #4		18
Larto Recreational District		-0-
Maitland Recreational District		-0-
Louisiana Tax Commission		-0-
Total	\$	<u>246</u>

The balance is broken down as follows:

Protested	\$	-0-
No Owner Found		246
Pending Before Tax Commission		-0-
Total	\$	<u>246</u>

Required Supplemental Information

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Governmental Funds
Schedule of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2011**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCES FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL		
REVENUES				
Fees & Charges	\$ 81,500	\$ 81,500	\$ 203,844	\$ 122,344
Taxes	1,017,131	1,017,131	977,014	(40,117)
Fines	72,625	72,625	23,374	(49,251)
Intergovernmental	290,300	290,300	296,544	6,244
Reimbursement	5,021,710	5,021,710	4,936,670	(85,040)
Grants	-0-	-0-	177,594	177,594
Insurance Proceeds	-0-	-0-	39,499	39,499
Miscellaneous	674,057	674,057	16,173	(657,884)
TOTAL REVENUES	7,157,323	7,157,323	6,670,712	(486,611)
EXPENDITURES				
Administration	1,632,401	1,632,401	3,983,962	(2,351,561)
Prisoner Expense	5,022,760	5,022,760	2,729,294	2,293,466
Repairs & Maintenance	-0-	-0-	46,132	(46,132)
Debt Service	450,000	450,000	536,628	(86,628)
Capital Outlay	25,346	25,346	189,568	(164,222)
Other Expenditures	22,334	22,334	24,148	(1,814)
TOTAL EXPENDITURES	\$ 7,152,841	\$ 7,152,841	7,509,732	\$ (356,891)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				(839,020)
OTHER FINANCING SOURCES (USES)				
Loans			525,030	
TOTAL OTHER FINANCING SOURCES (USES)			525,030	
NET CHANGE IN FUND BALANCE				(313,990)
FUND BALANCE AT BEGINNING OF YEAR			711,232	
FUND BALANCE AT END OF YEAR			\$ 397,242	

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**Note to Budgetary Comparison Schedule
For the Year Ended June 30, 2011**

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Catahoula Parish Sheriff's Office during the month of June for comments from taxpayers. The budget is then legally adopted by the sheriff and amended during the year, as necessary. The budget is established and controlled by the sheriff at the object level of expenditure. Appropriations lapse at year-end and must be re-appropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

STATE OF LOUISIANA, PARISH OF CATAHOULA

AFFIDAVIT

James Kelly, Sheriff of Catahoula Parish

BEFORE ME, the undersigned authority, personally came and appeared, James Kelly, the sheriff of Catahoula Parish, State of Louisiana, who after being duly sworn, deposed and said:

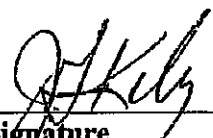
The following information is true and correct:

\$ 150,916 is the amount of cash on hand in the tax collector account on June 30, 2011;

He further deposed and said:

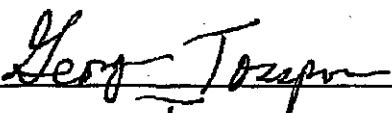
All itemized statements of the amount of taxes collected for tax year 2010, by taxing authority, are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.



Signature
Sheriff of Catahoula Parish

SWORN to and subscribed before me, Notary, this 23 day of November 2011, in my office in Harrisonburg Louisiana.

 (Signature)
GEORGE TOSSOU (Print), # 53733
Notary Public
Jun-30 2012 (Commission)

**Other
Reports**

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable James G Kelly, Sheriff
Catahoula Parish Sheriff
Harrisonburg, Louisiana

We have audited the basic financial statements of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Sheriff, a component unit of the Catahoula Parish Police Jury, as of and for the year ended June 30, 2011, which collectively comprise the Catahoula Parish Sheriff's basic financial statements and have issued our report thereon dated November 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Catahoula Parish Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Catahoula Parish Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Catahoula Parish Sheriff's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether the Catahoula Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item:

- **2011-C-1 Budget Variances**

The Catahoula Parish Sheriff's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Catahoula Parish Sheriff's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and the Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

John R. Vercher PC

November 30, 2011
Jena, Louisiana

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2011**

We have audited the basic financial statements of the Catahoula Parish Sheriff as of and for the year ended June 30, 2011 and have issued our report thereon dated November 30, 2011. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2011 resulted in an unqualified opinion.

Section I Summary of Auditor's Results

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Other Conditions ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☒ Yes ☐ No

b. Federal Awards (Not-Applicable)

Internal Control

Material Weaknesses ☐ Yes ☐ No Other Conditions ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐ Qualified ☐
For Major Programs Disclaimer ☐ Adverse ☐

Are the finding required to be reported in accordance with Circular A-133, Section .510(a)?

☐ Yes ☐ No

c. Identification Of Major Programs:

CFDA Number (s)

Name Of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☐ No

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST-CONTINUED
FOR THE YEAR ENDED JUNE 30, 2011**

Section II – Financial Statement Findings

2011-C-1 Budget Variances (Compliance)

Condition: The Catahoula Parish Sheriff had an unfavorable revenue variance of \$486,611 or 6.80% in its Governmental Fund Budget for the year ended June 30, 2011.

Criteria: The Budget Act requires that budgets be amended when the variance exceeds 5%.

Cause of Condition: The Sheriff's Office over budgeted miscellaneous revenues, causing an unfavorable revenue variance.

Effect of Condition: The government fund having an unfavorable revenue variance.

Recommendation: The budget should be amended when there is an unfavorable variance of more than 5%.

Client Response and Corrective Action: The management of the Sheriff's Office will begin amending its budget so that there is no unfavorable variance of more than 5%.

Contact Person: George Tosspon

Anticipated Completion Date: June 30, 2012

Section III Federal Awards Findings and Questioned Costs

Not applicable.

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MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Sheriff's Office's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

2011-M-1 Deficit Fund Balance

Finding: The Catahoula Parish Sheriff had a deficit fund balance of \$(134,445) at June 30, 2011 in its General Fund.

Recommendation: The Sheriff's Office should transfer monies from the Correctional Center Fund to the General Fund when the amount exceeds the available fund balance.

Client Response: The Sheriff's Office will transfer monies from the Correctional Center Fund to the General Fund when the amount exceeds the available fund balance.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Catahoula Parish Sheriff, Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2010.

PRIOR YEAR FINDINGS:

There were no prior year findings.